



MULTIFAMILY REHABILITATION LOAN

OFFICIAL INTENT DECLARATION APPLICATION

Commission Use Only

OID # _____

Date Approved _____

This application has been modified for the participants in the City of Seattle Multifamily Rehabilitation Loan Program. The requested information is needed for public hearing purposes. All projects receiving funding from private activity tax-exempt bonds must have a federally required public hearing.

Please note: All housing units to be funded with tax-exempt bonds must have complete and separate kitchens and bathrooms.

I Project Site Information*

Project Name: _____

Street Address: _____

City: _____ County: _____ Zip: _____

If site address is not available, give a brief description of property location (please provide a non-legal description; e.g. "the northwest corner of the intersection, etc.):

II Borrower Information*

Organization/Borrower Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

Contact Person: _____ Title: _____

Address (if different): _____

Telephone (if different): _____ Fax (if different): _____

E-Mail Address: _____

***Items in sections marked with an asterisk may appear in a public hearing notice.**

III Threshold Requirements

- ☐ 1. Every rehabilitation project must have a relocation plan approved by the appropriate government authority unless there are no residents covered by the Landlord/Tenant Act, RCW 59.18.010 et. seq., living in the project when the application is made. **A letter of approval, stating that a relocation plan has been approved, from the local government agency having jurisdiction over resident relocation issues must be presented to the Commission.** Contact staff for further information: 206/287-4417.
- ☐ 2. The project should be in conformance with the state or local Consolidated Plan (or CHAS), which is in effect at the time the Official Intent Declaration application is approved. **A letter indicating conformance from the proper administrative entity must be supplied to the Commission.**
- ☐ 3. The owner agrees to notify the appropriate public housing authority or other such authorized agency of the availability of low-income units at least 60 days prior to the initial rent-up of the project, and the owner agrees to promptly notify the appropriate agency of low-income unit vacancies as they occur. **Please provide a letter of agreement if applicable or a sample letter of notification.**
- ☐ 4. To ensure that housing units funded by Commission bonds are accessible to all state residents, the owner/developer will provide a marketing plan to the Commission by **the date of the public hearing.** The purpose of the plan is to detail the owner/developer's marketing activity to minority and special needs populations. This plan should include minority organizations and referral agencies contacted, advertising in minority publications, if applicable, and other similar strategies. If the project is currently occupied, the demographics of the current population being served will be needed.

IV Project Information*

- A. Please describe the type of project you are planning:

- B. What is the total number of units: _____
proposed unit mix:
Studios _____ **1 Bdrms** _____ **2 Bdrms** _____
3 Bdrms _____ **4 Bdrms** _____
- C. Do all units contain complete/separate kitchen and bathroom facilities:
☒ YES
 NO (please describe)
☐ _____
- D. Is this a project that will serve the elderly?
☐ YES
☐ NO

E. For projects which will also provide services:

1. Specify what services will be included in the monthly rent:

2. Specify what services will be included on a fee basis or at no charge:

F. Will this project apply to use Low-Income Housing Tax Credits:

- ☐ YES (Please complete all sections of the application.)
☐ NO

G. Is this building currently occupied: (If yes, please review 1 of the threshold requirements)

- ☐ YES
☐ NO

H. Type of Project: New Construction ☐ Rehabilitation ☒
 Acquisition ☐ Refinance ☐ Addition ☐

V Minimum Set-Asides*

Federal law requires that a percentage of the project's units will be set aside as affordable housing. Please select one of the following minimum requirements:

- ☐ 20% of the units at 50% of local area median income
☒ 40% of the units at 60% of local area median income

A. Do you have a building permit:

YES ☐ NO ☐

Date or expected date of building permit: _____
(Building Permits must be obtained by bond closing.)

B. Projected date project will be ready for occupancy: _____

C. When do you expect to close on your bond transaction: _____

IX Scoring

2002 Housing Evaluation Policy

Tax-exempt bonds issued on behalf of for-profit multifamily developers fall under the volume cap issuance authority of the State, as established by Congress. This volume cap authority (or “bond cap”) is the maximum level of tax-exempt “private activity” bonds that can be issued in the state for a given year. The amount of volume cap allocated to Washington State is divided among various issuers of tax-exempt bonds pursuant to Revised Code of Washington 39.86.100 et. seq.

The Commission may only use this authority to finance housing projects. The dollar amount of authority available to the Commission is dependent on statewide demand for housing and other uses of the volume cap. The amount the Commission can issue varies from year to year and is divided between the Capital Projects Division to provide financing for developers of for-profit multifamily housing and the Single Family Division to provide financing for single family ownership. Because demand for the volume cap has historically been greater than the amount of volume cap available to the Capital Projects Division, the Commission has developed a process for allocating volume cap among multifamily developers. This ensures that the Commission and the public that the projects that use bond cap will provide the highest possible public benefit in the most efficient manner. The allocation of multifamily bond volume cap is described in two separate documents: the *Policy* and the *Rules*. The *Rules* set forth the principles by which the Commission allocates multifamily bond volume cap and to which all applicants will be bound.

In addition, the Commission has published the *Policy*. The *Policy* describes the process and criteria that will be used by Commission staff to evaluate and rank Projects for allocation of the Commission’s multifamily portion of the private activity bond volume cap in furtherance of the goals set forth in the *Rules*. RCW 34.05.230(1) provides that “an agency is encouraged to advise the public of its current opinions, approaches, and likely courses of action by means of interpretive or policy statements.” The *Policy* is intended to be an interpretive or policy statement. The *Policy* is intended to provide guidance to applicants and to the Commission staff, but is not binding on the Commission, the Director of the Capital Projects Division, who has been delegated the authority to distribute volume cap pursuant to the *Rules*, or upon the Executive Director of the Commission, to whom such decisions may be appealed.

The Commission staff is authorized to administer, interpret, and clarify the *Policy* and the staff will make allocation recommendations to the Director of the Capital Projects Division. As set forth in the *Rules*, the Director of the Capital Projects Division will make decisions regarding allocations. Decisions may be appealed only to the Executive Director of the Commission.

The *Policy* is subject to change by the Commission, based on, among other things, developments in federal law. The Commission staff may modify the *Policy*, as well as the forms, legal documents, and other material used by the Commission staff, at any time determined by the Commission staff to be necessary and appropriate unless otherwise prohibited by law. You should stay informed of the actions of the Commission staff that may amend the *Policy*. You may ask the Commission staff for specific information or assistance.

City of
Seattle
Guarantee

Objective: Leveraging Tax-Exempt Resources

To ensure the most efficient use of volume cap, the Commission staff will give weight to projects that access other sources of funding, leverage tax-exempt bonds by issuing taxable bonds, and include significant rehabilitation.

Please check the elections you wish to make. (Selected options may be made a part of the regulatory agreement.) In case of a tie in score and readiness, the Commission will award a reservation of Bond Cap to the project requiring the lesser amount of bonds.

1. Scoring for Government and Philanthropic Assistance

For projects that have met the objective standards of a federal, state, or local government or third-party philanthropic source. If the project receives an amount equal to:

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- A. 20% of the bond amount from these sources (10 points)
- B. 30% of the bond amount from these sources (15 points)
- C. 40% of the bond amount from these sources (20 points)
- D. 50% of the bond amount from these sources (25 points)
- E. 60% of the bond amount from these sources (30 points)
- F. 70% of the bond amount from these sources (35 points)
- G. 80% of the bond amount from these sources (40 points)

The assisting organization must be unrelated to the applicant. The assistance must be a loan, grant, and/or contribution of land for the project. A copy of the agreement detailing the amount and contract conditions, including provisions for monitoring compliance, if applicable, must be supplied to the Commission. Contributions of land are considered a funding commitment for this criterion, but the applicant must submit a copy of a current appraisal acceptable to the Commission to establish the value of contributed land, and a legal description of the land being contributed. In-kind contributions such as goods and services, although encouraged, are not considered to be a funding commitment for the purpose of gaining points. (No points will be given for tax abatement or exemption that is given as a matter of general government policy or law such as property tax exemption.)

2. Scoring for Taxable Bond Options

For projects financed with a taxable portion of the bond issue. If the bond issue includes:

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- A. 10% of the bonds taxable (10 points)
- B. 15% of the bonds taxable (15 points)
- C. 20% of the bonds taxable (20 points)
- D. 25% of the bonds taxable (25 points)
- E. 30% of the bonds taxable (30 points)
- F. 35% of the bonds taxable (35 points)
- G. 40% of the bonds taxable (40 points)



3. Scoring for Rehabilitation Projects

For rehabilitation projects in which either \$6,500 or more is spent per unit, or two or more major building components are replaced (such as roof, siding). (15 points)

Objective: Serve Low- and Moderate-Income Residents of Multifamily Housing

In order to ensure that volume cap is used to produce the highest public benefit, the Commission staff will give weight to projects which best serve low and moderate income residents by exceeding the minimum Code requirements.



4. Scoring for Extended Regulatory Agreement

For projects which will have an extended Bond Regulatory Agreement with the Commission of at least 20 years which is five years longer than the minimum requirement; and, if using the 4% Low-Income Housing Tax Credit ("tax credits"), an Additional Low-Income Housing Use Period of at least five years. (15 points)



5. Scoring Additional Points for Additional Set-Asides

For projects that have 30% of the units at 50% of local median income. (25 points) If the project is using tax credits, these set-aside units must have restricted rents as stipulated under the tax credit program for households with incomes at or below 50% of area median gross income.



6. Scoring for Projects with Government Rental Subsidies

A. For projects that are rehabilitation or acquisition/rehabilitation of an existing building with Section 8 contracts for at least 50% of the units, and these contracts are scheduled to expire before the year 2005 or are now on yearly renewals. (25 points) To qualify for points, the owner must agree to renew the Section 8 contracts as long as available for 15 years and set aside 30% of the units for households at 50% of local median income for an additional 10 years after the Section 8 contracts is no longer available.



B. For projects in which at least 50% of the units have other government rent subsidies. (15 points) To qualify for points, the owner must agree to renew those contracts as long as available for 15 years and set aside 30% of the units for households at 50% of local median income for an additional 10 years after the rental subsidy contracts are no longer available.

Objective: Serve Under-Served Communities

In order to ensure that volume cap is used to produce the highest public benefit, the Commission staff will give weight to projects which promote the development of affordable housing in under-served areas, including in-fill projects and projects located in rural areas, and which serve special-needs populations.



7. Scoring per County

For projects located in under-served counties

A. King (5 points)



8. Scoring for Targeted or Distressed Area

For projects located in either a HUD-defined Difficult Development Area; or a HUD-defined Qualified Census Tract where 50% or more of the households are less than 60% of local median income; or a Commission-approved area specifically targeted by Local Jurisdiction. (5 points) Designation must have been made at least 90 days before application; appropriate documentation must be supplied to the Commission.

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9. Scoring per Total Number of Units
For projects of 75 units or less. (10 points)

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10. Scoring for Serving Large Households
For projects in which 15% of the units are three plus bedrooms reserved for large households, (i.e., four or more persons). If the project is using tax credits, the set-aside percentages must equal those of the tax credit program; i.e., if the tax credit requirement is 20% the requirement under the bond regulatory agreement must be 20%. (10 points)

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11. Scoring for Serving Special Needs Populations
For projects in which 15% of the units are reserved for the disabled or other special needs populations. (15 points)

The applicant must provide to the Commission all of the following:

- A description of the population to be served
- Special outreach to the population identified above
- A description of physical plant amenities beyond minimal building code and ADA requirements designed for the population to be served
- On-site services developed specifically for that special needs population
- A referral agreement with a federal, state, or local government or nonprofit agency that provides services for the population

If the project is using tax credits, the set-aside percentages must equal those of the tax credit program; i.e., if the tax credit requirement is 20% the requirement under the bond regulatory agreement must be 20%.

Objective: Integrate Projects with the Surrounding Community

In order to ensure that volume cap is used to produce the highest public benefit, the Commission staff will give weight to projects that support, and are supported by, the community.

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12. Scoring for Nonprofit Housing Support
For projects that provide financial assistance to a local housing authority or nonprofit agency approved by the Commission by donating the amount of:

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A. 0.10% (1/10th of 1%) of the bond issue or at least a minimum donation of \$5,000. (5 points)

B. 0.20% (2/10th of 1%) of the bond issue or at least a minimum of \$10,000. (10 points)

An acceptance letter from the recipient is required before bond closing.

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13. Scoring for Community Support

A. For projects that participate in a governmental economic development or community revitalization efforts including those which meet the requirements of RCW 84.14, "New and Rehabilitated Multiple -Unit Dwellings in Urban Centers," and receive exemption from ad valorem property taxation. (10 points)
The applicant must supply a copy of the plan and a letter from local jurisdiction detailing the project's conformance.

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B. For projects that have licensed child or elder care on site. (10 points) An agreement with a licensed care provider must be submitted to the Commission covering a period of service of not less than five years.



- C. For projects that are listed or determined to be eligible for listing in the National Register of Historic Places, located in a registered historic district and certified by the U.S. Department of the Interior, or designated as a state landmark. (5 points) To qualify for points, no less than 50% of the project's total housing units must be located in the building(s) designated as historic property.

X Fee Calculation



Washington State
Housing Finance Commission
1000 2nd Ave, Ste 2700
Seattle, WA 98104-1046

206/464-7139
in state 800/767-4663

Application Fee for this program is included with the City of Seattle's application screening fee.

APPLICANT NAME

TITLE

SIGNATURE

DATE

ORGANIZATION

**Applications must be signed
in order to be valid.**